

U.S. TRADE AND DEVELOPMENT AGENCY



PUBLIC-PRIVATE PARTNERSHIPS

Investing in Partnerships

Since its inception, the U.S. Trade and Development Agency (USTDA) has promoted public-private partnerships. The hallmark of USTDA development assistance has always involved building bridges between U.S. companies and overseas project sponsors – bringing proven private sector solutions to development challenges. USTDA's technical assistance and investment analysis programs take advantage of the private sector's experience, technology, and ingenuity that are integral to development and project sustainability. Our program works best in countries that recognize the importance of private sector participation and a marketplace that respects the rule of law, fair competition, and open trade.

Defining a Concept

USTDA has helped launch international public-private partnerships in sectors including energy, environment, information and communication technology, and transportation. As nearly all of the agency's program activity is implemented using private sector expertise, USTDA makes a special distinction between projects that provide engineering and consulting services and those that forge lasting partnerships and collaboration between public and private entities. A successful public-private partnership is typically defined by one of the following elements:

- Shared ownership or management of an infrastructure project by a host country public sector/government entity and a private sector entity of the host country or the United States. This may include joint ventures, build-operate-transfer projects, and similar arrangements.
- Development of enduring private sector-led activities, institutions, or associations that deliver technical, financial, and other forms of assistance to public sector entities in a host country.

Implementing a Vision

USTDA takes proactive efforts to create public-private partnerships that facilitate a country's integration into the global trading environment, promote sustainable economic and social development, and link U.S. private sector solutions to development challenges. Notable recent examples include:

- **China: U.S. – China Aviation Cooperation Program (ACP):** China's rapidly growing aviation industry has challenged on-going efforts to maintain effective safety and security operations. Recognizing a need, USTDA helped to structure the ACP with the goal of facilitating U.S. Government and U.S. aviation industry training and technical cooperation with China. The ACP provides a unified voice to China in the aviation sector through the coordination of assistance and training needs identified by the General Administration of Civil Aviation of China (CAAC). This program is supported by the ACP's 20 U.S. private sector member companies and by public sector contributions from USTDA, the Federal Aviation Administration, and the CAAC.

- **Uganda: Jinja-Njeru Water and Wastewater Project:** USTDA is sponsoring an investment analysis for Uganda's Ministry of Water, Lands, and Environment (MWLE), which will examine public-private partnership options for water and wastewater treatment in the Jinja and Njeru municipalities along Lake Victoria. This project will examine the technical, financial, legal, and structural aspects of developing such a partnership under the guidance of the MWLE. Prompted by stricter national environmental regulations, local industry is interested in pursuing a joint treatment system with the local governments, to create an economy of scale that will provide more affordable treatment options for commercial and household use.
- **Vietnam: Blocks B and 52 Gas Pipeline Project:** As Vietnam seeks to invest in cleaner burning fuels for its power generation needs, it has sought U.S. private sector and U.S. government assistance to develop natural resources along its southern coast. USTDA and Unocal Corporation are co-sponsoring an investment analysis to assess the financial and technical feasibility of a proposed gas pipeline project in the Gulf of Thailand. This investment analysis is expected to conclude in the formation of a joint venture arrangement for the project between private sector partners and Vietnam's state-owned oil company, PetroVietnam.
- **Sri Lanka: Solar Powered Community Water Supply Pilot Project:** Following the December 2004 tsunami, Sri Lanka's Ministry of Urban Development and Water Supply (MUDWS) approached USTDA for assistance to provide clean drinking water systems to the country's Hambantota district. USTDA and MUDWS are partnering with WorldWater & Power Corporation, a New Jersey-based solar engineering and water management company, to co-sponsor a pilot project to introduce solar powered community water supply systems as a potential solution. The goal of this public-private partnership is to provide safe drinking water to villages where electrification is not an option.
- **Sri Lanka: Pilot Water Disinfection and Purification System Program:** USTDA, the International Finance Corporation (IFC), and WaterHealth International (WHI) are major co-sponsors of a water disinfection and purification system program for tsunami-affected regions of Sri Lanka. WHI, a U.S. water systems manufacturer, is providing 50 decentralized, scalable water purification systems that will provide safe drinking water on a sustainable basis for at least 100,000 Sri Lankan tsunami survivors living in temporary and permanent shelters. In addition, this project is utilizing public and private resources to identify local needs, perform site selections, train local partners and operators, and monitor and maintain system operations.
- **China: U.S.-China Standards Cooperation Program (under development):** Both China and the United States share an interest in ensuring that China adopts transparent product and services standards. USTDA, the U.S. Department of Commerce, the Government of China, and several U.S. standards associations are crafting a program to coordinate technical assistance for China through an umbrella organization that represents broader U.S. trade interests. The blueprint for this program would include USTDA grant funding, augmented with private sector technical and financial resources and membership fees that would enable a self-sustaining program.
- **Vietnam: U.S.-Vietnam Trade Facilitation Demonstration Project (under development):** USTDA, State Department, U.S. Customs and Border Protection, and the U.S. National Center for APEC are working with Vietnam Customs to organize and support an APEC demonstration project that builds on their recent public-private partnership successes in China (Shanghai Model Port Project) and Thailand (STAR-BEST Project). Leading U.S. shippers and IT companies are coordinating with these partners to develop a port and air freight customs project related to the new World Customs Organization Framework to Secure and Facilitate Trade. This project will yield significant trade benefits to the U.S. business community and Vietnam Customs through a more secure and expedited customs clearance process.